

**Asset Management Meeting
July 29, 2004**

Attendance: Steve Bower, Steve Urda, Jim Kirschensteiner, Tony Milo, Doug LaVoie, Ronald Reid, Bill Tansil; Pauline Misjak, David Baker, Mike Trout, Ron Brenke, Kevin Wisselink, Snehmay Khasnabis, Diane Kemper, Kim Johnson

- It was expressed that the Team's goal is to raise level of awareness of asset management.
- Our group desires to take a more global view of asset management.
- Asset management council has focused on pavement and bridges.

Mike Trout, Deputy Director, Bishop International Airport and Michigan Association of Airport Executives, David Baker, MDOT Airports Division and Pauline Misjak, MDOT Airport Services Division.

- Airports have a master planning process. Also, a Federal project development process.
- There are over 400 airports in Michigan.
- 236 are public use airports and licensed by the State. The others are private use.
- State owns 7 of the 236 and 5 of these are owned by MDOT and managed by others for MDOT. The rest are owned/managed by counties and cities.
- 95 airports are eligible for Federal-aid. 15 are primary, 3 are commercial service, 80 are in the other category and get little Federal-aid. Examples of primary airports are Detroit Metro and Bishop.
- Asset management deals with a lot of airports that do not get much Federal-aid. Many are maintained by general funds derived from hanger rental, fuel sales, flight schools, etc. Fees are generally used for operation.
- Grants are 90/10 for improvements at airports.
- Mission Airport System Plan (MAS). Last update in 2000. This plan is on Aeronautics' web site. Plan covers public use airports only.
- There are 3 tiers of airports. Highest tier is Tier 1. There are 87 Tier 1. These are vital to system. 22 are Tier 2 airports. Tier 3 less important.
- Airports look at 20-year master plan of development.

- Capital Improvement Program is a rolling 5-year program.
- There are billions of dollars worth of needs.
- Airport managers need to identify what is most critical.
- Airports do a pavement condition index. Done every 3 years. Tier 3 does not get covered that often.
- Pavement needs are identified. Airports come to MDOT with projects to address pavement needs identified (paint markings, crack sealing, runway repair, signs, etc.
- MDOT has project managers responsible for different parts of the State and are familiar with their airports.
- Highest priority is preserve existing assets and maintaining it just like highways.
- FAA priority for Federal funds tends to change from year to year. Right now security is highest FAA's highest priority.
- It takes several years to get Federal-aid funds to do runway preservation projects. Expansion of runways is very rare.
- It has only been recently that Federal-aid dollars could be used for maintenance of pavement. State funds were the primary source in past.
- Runways are different from roads. Designed to accommodate airplane loadings.
- Airports have found that working through the State is best way to approach asset management.
- Because Federal-aid funds come as entitlements, the flexibility of using the dollars is limited. Smaller airports have to get several grants to have enough Federal-aid to do anything.
- Large amount of funding is going toward airport safety areas off the runway (end of runway).
- FAA specifies where it is to be spent (\$120 million from FAA and only \$10 million has flexibility as to where it can be spent. Rest is earmarked usually.
- \$50 million/year goes to Detroit metro airport.
- MDOT and airports have some input into decision-making process, but Washington calls the shots ultimately.

- FAA allows airports to set priorities and generally they will go along with it.
- MDOT will allow airport to use its Federal-aid for maintenance if they want to but most maintenance is done with 50/50 funds from the State.
- Entitlements are based on number of passengers served by airports.
- Most of the Federal-aid comes from ticket taxes and fuel tax. There is an aviation trust fund.
- ☆ – The entities that manage the smaller airports (counties and cities) have no awareness of managing the airport assets. This sometimes includes the middle size airports as well.
- Capitol outlay budget in Michigan has been \$200± million but rarely get all of it.
- Asset Management Plan is a good tool to sell the public on needs.
- Airports make large economic contributions to local communities.
- FAA has one asphalt pavement mix design for the entire country. Do not recognize geographic differences. States have to petition Washington to change it.
- FAA sets goals to reduce incidents. FAA looks at system yearly to put Federal-aid on high-level goals. FAA has many, many Divisions that set priorities and many times the goals conflict. They impose standards on States that are sometimes unrealistic.
- At an airport, there are many privately owned assets. Fixed base operators (private) maintain and operate many of the assets at an airport and they may all do it differently. There is a large amount of inconsistencies. Airports cannot manage the private carriers that use the airports.
- A valuable component would be to apply asset management principles to the pavement that is within purview of MDOT and airport managers.
- If there is a tool the airport managers can use, they can go back to county commissioners or cities to sell asset management.
- Focus on airport owner (county, city).
- A few years ago MDOT developed a video that promoted an awareness of how important airports were, but did not look at asset management.

- \$8 million in fuel tax goes to State. The tax is 3¢/gallon but operators can get a 1½¢ rebate. Parking tax around Metro Airport supports bonds for safety improvements in the amount of \$6 million/year. Aircraft registration fees also help support funding. Total State revenues ~ \$12-16 million not including bonds.
- Airports have 35 different weather stations throughout the State that could be tied into overall management of weather related incidents, etc.
- There is a lack of Federal planning and support for overall transportation systems management.
- There are some opportunities for Intermodal operations at airports that could be factored in.
- Money filtered through “MPOs” forces some activities, but it is purely voluntary on the part of the airport.

BREAK

- Mobility Options Action Team discussion:
 - Public transportation – the asset is the bus fleet. Intermodal Centers (buses) are similar to airports in that there are assets they do not own (Greyhound, Trailways, etc.).
 - Looking at public transit and non-motorized where there are gaps in system, coordinate with funding strategies.
 - Like airports, communities do not think much about public transit in general.
 - Individual transit systems have different management systems for bus fleets to replace, upgrade, and repair buses.
 - MDOT has an inventory of all the buses owned by transit providers. Updated annually. Performance measure is how many buses are eligible for replacement. MDOT knows remaining service life of buses. Federal funds go directly to transit agencies, so MDOT does not have much control over it.
 - MDOT has a maintenance monitoring program and MDOT monitors to assure providers are following it.
 - Assets include garages.

- Most Federal-aid with a State match goes toward buying buses. Local funds go toward operations.
- Rural systems have pretty good maintenance programs. MDOT funding tied to adequate maintenance of fleet.
- Transit systems are an asset and are vital.
- For non-motorized, the only asset is the trail or pathway.
- Possible contacts are: Tim Hoeffner – works with passenger rail at MDOT, and Bill Homrich – works with freight rail at MDOT.
- There are no standards for public transit service in rural areas. No best practices in rural areas. A lot of variations across the State. Every county has some type of public transit, but 32 counties are very minimal.
- MDOT has a Public Transit Management System (PTMS)
- A good road and bridge system is vital for a good transit system.
- There are a lot of players in transit that need to come together to manage assets.
- FTA funds are heavily weighted toward light rail systems that Michigan does not have. This results in Michigan not getting its fair share of transit funds. Federal attitude is one size fits all in transit and air.
- Performance measures in public transit passenger/hour, passenger/mile. There is so much variability around the State that MDOT only makes performance measures available, but does not use to allocate funds. Hard to come up with a fair measure for every operator.

BREAK

- Next meeting – possible brainstorm ideas
 - Prioritize the assets to manage.
 - Manage assets right-of-way line to right-of-way line.
 - Influence U.S. DOT in other modes (FTA, FAA) to get out of Czarist one size fits all and free up all the strings attached to Federal-aid

- What are the standards and criteria to use?

(Profiled Subject-86414)